

UPDATE: December 16, 2002

As of December 31, 2002, Indiana has not incorporated the provisions of HR 3090 into the Indiana Code. The add backs that are required will continue to be in effect for calendar year 2002, and fiscal year 2002/2003 taxpayers.

March 22, 2002

Job Creation and Workers Assistance Act of 2002, HR 3090

The new bill, *Job Creation and Workers Assistance Act of 2002, HR 3090*, passed by Congress and signed by the President on March 9, 2002, makes significant changes that are used to arrive at Federal Adjusted Gross Income (FAGI) for tax year 2001. Because of the retroactive effective date and the fact that the act was signed after January 1, 2002, this legislation is not incorporated into the definition of Indiana Adjusted Gross Income (AGI).

Deductions impacted by HR 3090 that are not reflected in FAGI will not impact the Indiana return and therefore no adjustments will be necessary.

How to Comply on Indiana Tax Returns

Determine the appropriate line from the table below to reflect certain Federal Legislative Provisions effective in 2001 which cannot be used to arrive at Indiana AGI. Make adjustments as necessary on the appropriate line.

Please attach a separate statement to the return identifying the changes affected by the *Job Creation and Workers Assistance Act of 2002, HR 3090*, which affects your Indiana income tax liability for 2001.

The adjustments should be reported on the line number listed below that corresponds to the type of form being filed.

Form	Line Number	Line Title
IT-40	2	Tax Add-Back
IT-40PNR – Schedule A	23B	Tax Add-Back
Schedule IT-40 PNRA	2b	Add Back
IT-20	30	Foreign Source Dividends (Schedule H) and other adjustments
IT-20S	2a	Add Back
IT-20SC	9	Adjustments
IT-65	2a	Add Back
IT-20NP	62	Other Adjustments
FIT-20	11	Other income adjustments
IT-41	2	Federal Deductions Allocable to Tax Exempt Income

Please Note: If your federal and Indiana tax returns have been filed reflecting the additional deductions from the *Job Creation and Workers Assistance Act of 2002, HR 3090*. You will need to amend your Indiana return to “add back” those deductions to comply with Indiana’s current tax treatment.

As additional information becomes available, it will be posted on the Department’s web site at www.IN.gov/dor

Federal information available at www.irs.gov/